GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2990
ANSWERED ON:02.12.2016
Home Loans
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any proposal to simplify the procedures for raising home loans and if so, the details thereof;
(b) whether the number of outstanding home loans are increasing every year;
(c) if so, the details thereof along with the reasons therefor;
(d) whether the Government has reviewed the cases regarding non-repayment of the said loans and if so, the details thereof; and
(e) the steps taken/being taken by the Government to reduce the bad debts arising out of home loans?

Answer

The Minister of State in the Ministry of Finance

(a): Simplified procedures for raising home loans are in place and banks follow similar standardised processes in dealing with applications for home loans.
(b): The outstanding individual housing loans of Housing Finance Companies and Public Sector Banks (PSBs), for last three years, has shown an increasing trend. Details in this regard are as under:

As on Outstanding Individual Housing Loans (Rs. Crore)
HFCs PSBs
31.03.2014 2,97,466 3,75,090
31.03.2015 3,57,543 4,40,961
31.03.2016 4,37,774 5,20,722

(c): The housing loan industry has seen consistent growth on account of various reasons which inter-alia include, increase in number of lenders, competition among lenders, various Schemes of Government, increased urbanization etc.
(d): The Non-Performing Assets (NPAs) in home loans of PSBs are reviewed by the Government on a quarterly basis. The April − June 2016 quarter saw the NPA in PSBs increase to 1.7% from 1.6% in the corresponding quarter of the previous year.
(e): The Government has taken several steps to counter bad debts in home loans which inter-alia, include advising banks to ensure due deligence on credit appraisals, post sanction inspections, use of information from Credit Information Companies to prevent multiple mortgage and capturing borrower's history, checking encumbrances on property through search reports etc.
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